

Washington State Health Insurance Pool
DIRECTOR, OFFICER AND EMPLOYEE STATEMENT

The WSHIP Bylaws include a conflict of interest policy (“Policy”) designed to protect WSHIP’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer, director, or member of a committee with board delegated powers of WSHIP. See Attachment A for a copy of the Policy.

The Policy requires that each director, principal officer and member of a committee with board–delegated powers annually sign a statement which affirms the statements set forth below. All officers are considered principal officers. Certain additional information is requested. Employees are asked to complete and sign the statement as well.

Thank you for your cooperation.

Please complete the following information, date and sign this statement below.

A. Name and position (e.g. director, officer, member of a committee with board delegated powers, WSHIP employee): _____

B. Occupation: _____

C. Current employer, if any: _____

D. Affirmation:

(1) I have received a copy of the Policy;

(2) I have read and understand the Policy:

(3) I agree to comply with the Policy;

(4) I understand that WSHIP is a tax-exempt organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes:-

(5) I have not been convicted of a crime involving charitable solicitations in the last ten years;

(6) I will keep confidential information confidential; and

(7) I will adhere to my fiduciary duties as a director, officer, or member of a committee with board delegated powers.

E. Financial Interests:

The Policy requires that if you have a financial interest in a proposed transaction or arrangement with WSHIP, you must disclose the existence and nature of your financial interest to the board or board committee with board delegated powers considering the proposed transaction or arrangement. Please identify any such financial interest which you have disclosed in the past 12 months. If there is a financial interest you believe you should have disclosed, please describe any such interest here as well.

- A person has a financial interest in a transaction or arrangement if the person has, directly or indirectly, through business, investment or family¹: (a) an ownership or investment interest in any entity with which WSHIP has a transaction or arrangement, or (b) a compensation arrangement with WSHIP or with any entity or individual with which WSHIP has a transaction or arrangement, or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which WSHIP is negotiating a transaction or arrangement. “Compensation” includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

WSHIP also requires you to report family or business relationships you may have with other directors, or with officers, or employees of WSHIP. The reportable relationships include: (a) employment by, or you employ of, an officer, director or employee; (b) a business in which you and any one of the above-listed persons holds a key position or an aggregate of 10% ownership in the assets or income; (c) transactions between you and any of the above-listed persons individually, or through their 35% owned business, which exceeds \$10,000 in aggregate during the reporting year; and (d) family relationships with any of the above-listed persons. Describe any such relationship in detail below.

¹ Family members include spouse, siblings (half or whole), children, grandchildren, and in-laws. Businesses include those in which you own or control at least 35%, or disregarded entities.



Adopted 11-18-10
Revised 2022-31-20

I affirm the accuracy and completeness of the information provided above.

Signature

Date

ATTACHMENT A
Washington State Health Insurance Pool
CONFLICTS OF INTEREST POLICY
WSHIP BYLAWS
ARTICLE VIII

ARTICLE VIII. CONFLICTS OF INTEREST

The purpose of the conflicts of interest policy is to protect WSHIP's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of WSHIP. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to directors and officers of WSHIP.

Section 8.1 Definitions.

(a) Interested Person. Any director, principal officer, or member of a committee with board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family: (a) an ownership or investment interest in any entity with which WSHIP has a transaction or arrangement, or (b) a compensation arrangement with WSHIP or with any entity or individual with which WSHIP has a transaction or arrangement, or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which WSHIP is negotiating a transaction or arrangement. "Compensation" includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Section 8.2 Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest, the interested person shall leave the board or committee meeting while the

determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) **Procedures for Addressing the Conflict of Interest.** The Chair of the board or the chair of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the board or committee shall determine whether WSHIP can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in WSHIP's best interest and for its own benefit and whether the transaction is fair and reasonable to WSHIP and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) **Violations of the Conflicts of Interest Provisions.** If the board or committee has reasonable cause to believe that one or more of its members has failed to disclose actual or possible conflicts of interest, it shall inform the member or members of the basis for such belief and afford the member or members of an opportunity to explain the alleged failure to disclose. If, after hearing the response of the member or members and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member or members has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 8.3 Record of Proceedings. The minutes of the board and all committees with board-delegated powers shall contain (a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Section 8.4 Compensation Committees. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from WSHIP for services is precluded from voting on matters pertaining to that member's compensation.

Section 8.5 Statement of Compliance. Each director, principal officer and member of a committee with board-delegated powers shall annually sign a statement which affirms that such person (a) has received a copy of the conflicts of interest policy; (b) has read

and understands the policy; (c) has agreed to comply with the policy; and (d) understands that WSHIP is a tax-exempt organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 8.6 Periodic Reviews. To ensure that WSHIP operates in a manner consistent with its tax-exempt purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted of its activities to ensure compliance with the applicable requirements.